

**104TH GENERAL ASSEMBLY****State of Illinois****2025 and 2026****HB1803**

Introduced 1/28/2025, by Rep. Martin J. Moylan - Michael J. Kelly

SYNOPSIS AS INTRODUCED:

35 ILCS 5/235 new

Amends the Illinois Income Tax Act. Creates an income tax credit for taxpayers who employ qualified employees. Provides that the term "qualified employee" means an individual who (i) is employed by the taxpayer as an engineer and (ii) graduated from an engineering program at an accredited institution of higher learning with a Bachelor's degree or higher within the 5 years immediately preceding the taxable year. Provides that the credit shall be equal to (i) 10% of the compensation paid by the taxpayer during the taxable year to qualified employees who graduated from an engineering program at an accredited institution of higher learning in Illinois or (ii) 5% of the compensation paid by the taxpayer during the taxable year to qualified employees who graduated from an engineering program at an accredited institution of higher learning not located in Illinois. Effective immediately.

LRB104 09311 HLH 19369 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by
5 adding Section 235 as follows:

6 (35 ILCS 5/235 new)

7 Sec. 235. Retaining Illinois Students of Engineering
8 (RISE) credit.

9 (a) For tax years ending on or after December 31, 2025, a
10 taxpayer shall be allowed a credit against the tax imposed by
11 subsections (a) and (b) of Section 201 for compensation paid
12 to qualified employees during the taxable year. The credit
13 shall be equal to (i) 10% of the compensation paid by the
14 taxpayer during the taxable year to qualified employees who
15 graduated from an engineering program at an accredited
16 institution of higher learning in Illinois or (ii) 5% of the
17 compensation paid by the taxpayer during the taxable year to
18 qualified employees who graduated from an engineering program
19 at an accredited institution of higher learning not located in
20 Illinois.

21 (b) The credit or credits may not reduce the taxpayer's
22 liability to less than zero. If the amount of the credit or
23 credits exceeds the taxpayer's liability, the excess may be

1 carried forward and applied against the taxpayer's liability
2 in the following 5 taxable years or until the credit has been
3 fully used, whichever occurs first.

4 (c) As used in this Section, "qualified employee" means an
5 individual who (i) is employed by the taxpayer as an engineer
6 and (ii) graduated from an engineering program at an
7 accredited institution of higher learning with a Bachelor's
8 degree or higher within the 5 years immediately preceding the
9 taxable year for which the credit is claimed.

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.